



**DEPARTMENT OF  
FINANCE**  
OFFICE OF THE DIRECTOR

GAVIN NEWSOM - GOVERNOR  
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 17, 2019

Mr. Troy Grunklee, Finance Manager  
City of La Puente  
15900 East Main Street  
La Puente, CA 91744

Dear Mr. Grunklee:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated March 25, 2019. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the La Puente Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2019 through June 30, 2020 (ROPS 19-20) to Finance on January 25, 2019. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on April 24, 2019.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed:

- Item Nos. 15 through 21 – City of La Puente (City) loans in the total outstanding amount of \$11,247,504. Finance originally denied these items as summarized in the table below. No funding was requested on the ROPS 19-20 for these items; Finance will make determination if the loans are eligible for repayment per HSC section 34191.4 (b) (2) when the funding is requested in a subsequent ROPS.

| Item No.                 | Item Name/Project Name            | Outstanding Amount |
|--------------------------|-----------------------------------|--------------------|
| 15                       | Loans or money borrowed by Agency | \$2,488,310        |
| 16                       | Loans or money borrowed by Agency | \$5,299,401        |
| 17                       | Loans or money borrowed by Agency | \$655,520          |
| 18                       | Loans or money borrowed by Agency | \$1,202,433        |
| 19                       | Loans or money borrowed by Agency | \$651,250          |
| 20                       | Loans or money borrowed by Agency | \$704,600          |
| 21                       | Loans or money borrowed by Agency | \$245,990          |
| Total Outstanding Amount |                                   | \$11,247,504       |

In addition, per Finance's letter dated March 25, 2019, we continue to make the following determination not contested by the Agency during the Meet and Confer review:

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the oversight board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 3 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$699,371 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

This is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Veronica Zalvidea, Lead Analyst, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER  
Program Budget Manager

cc: Ms. Elizabeth Herrera, Accounting Technician, City of La Puente  
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

**Attachment**

| <b>Approved RPTTF Distribution</b><br><b>For the period of July 1, 2019 through June 30, 2020</b> |                      |                      |                         |
|---|----------------------|----------------------|-------------------------|
|   | <b>ROPS A Period</b> | <b>ROPS B Period</b> | <b>ROPS 19-20 Total</b> |
| RPTTF Requested   | \$ 497,887           | \$ 71,510            | \$ 569,397              |
| Administrative RPTTF Requested  | 65,092               | 65,092               | 130,184                 |
| <b>Total RPTTF Requested</b>  | <b>562,979</b>       | <b>136,602</b>       | <b>699,581</b>          |
| RPTTF Authorized  | 497,887              | 71,510               | 569,397                 |
| Administrative RPTTF Authorized   | 65,092               | 65,092               | 130,184                 |
| <b>Total RPTTF Authorized for Obligations</b>   | <b>562,979</b>       | <b>136,602</b>       | <b>699,581</b>          |
| Prior Period Adjustment   | (210)                | 0                    | (210)                   |
| <b>Total RPTTF Approved for Distribution</b>  | <b>\$ 562,769</b>    | <b>\$ 136,602</b>    | <b>\$ 699,371</b>       |